

Fiscal Service, Treasury

§ 356.30

Confirmations signed or sent by an authorized representative must include the capacity in which the representative is acting.

(ii) *What must the customer include in its confirmation?* The information the customer must provide is:

(A) A confirmation of the awarded bid(s), including the name of each submitter that submitted the bid(s) on the customer's behalf, and

(B) A statement indicating whether the customer had a reportable net long position as defined in §356.13. If a position had to be reported, the statement must provide the amount of the position and the name of the submitter that the customer requested to report the position.

(2) *Submitter or intermediary requirements.* A submitter or intermediary submitting or forwarding bids for a customer must notify the customer of the customer confirmation reporting requirement if we award the customer \$2 billion or more as a result of those bids.

[69 FR 45202, July 28, 2004, as amended at 71 FR 76151, Dec. 20, 2006; 74 FR 26086, June 1, 2009; 74 FR 47100, Sept. 15, 2009]

§ 356.25 How does the settlement process work?

Securities bought in the auction must be paid for by the issue date. The payment amount for awarded securities will be the settlement amount as defined in §356.2. (See formulas in appendix B.) There are several ways to pay for securities:

(a) *Payment by debit entry to a deposit account.* If you are paying by debit entry to a deposit account as provided for in §356.17 (b) and (c), we will charge the settlement amount to the specified account on the issue date.

(b) *Payment by authorized charge to a funds account.* Where the submitter's method of payment is an authorized charge to the funds account of a depository institution as provided for in §356.17 (d), we will charge the settlement amount to the specified funds account on the issue date.

(c) *Payment through a certificate of indebtedness.* If you are paying with the redemption proceeds of your certificate of indebtedness as provided for in §356.17(b), we will redeem the certifi-

cate of indebtedness for the settlement amount of the security and apply the proceeds on the issue date.

(d) *Payment with bids.* If you paid the par amount with your bids as provided for in §356.17 (c)(2), you may have to pay an additional amount, or we may have to pay an amount to you, as follows:

(1) *When we owe an amount to you.* If the amount you paid is more than the settlement amount, we will refund the balance to you after the auction. This will generally occur if you submit payment with your bids. A typical example would be an auction where the price is a discount from par and there is no accrued interest.

(2) *When you must remit an additional amount.* If the settlement amount is more than the amount you paid, we will notify you of the additional amount due. You may owe us such an additional amount if the auction calculations result in a premium or if accrued interest or an inflation adjustment is due. If your securities are to be held in TreasuryDirect®, we will collect this amount through the same payment method that you previously authorized for the transaction. If your securities are to be held in Legacy Treasury Direct®, you will be responsible for remitting this additional amount immediately.

[69 FR 45202, July 28, 2004, as amended at 70 FR 57440, Sept. 30, 2005; 73 FR 14938, Mar. 20, 2008]

Subpart D—Miscellaneous Provisions

§ 356.30 When does the Treasury pay principal and interest on securities?

(a) *General.* We will pay principal on bills, notes, and bonds on the maturity date as specified in the auction announcement. Interest on bills consists of the difference between the discounted amount paid by the investor at original issue and the par value we pay to the investor at maturity. Interest on notes and bonds accrues from the dated date. Interest is payable on a semiannual basis on the interest payment dates specified in the auction announcement through the maturity